

## **REMARKS**

Applicants reply to the Examiner's comments in the Advisory Action mailed on April 22, 2009, and submit these remarks. Support for the claim amendments may be found in the originally-filed specification, claims, and figures. No new matter has been introduced by the claim amendments. Reconsideration of this application is respectfully requested.

In the previous Reply, Applicants submitted significantly amended independent claims and a new independent claim which include claim elements from issued claim 1 of U.S. Patent No. 7,343,351 (U.S. Serial No. 09/652,899) and issued claim 1 of U.S. Patent No. 7,216,091 (U.S. Serial No. 09/241,188). These patents are fully incorporated by reference in the originally filed specification of the instant application. **Applicants have confirmed that these issued patents were pending at the time of filing of the instant application and that both patents are still owned by American Express Travel Related Services Company, Inc., who is the assignee of the instant application.**

Applicants have located relevant portions of the instant applications and the referenced Patents in order to demonstrate that the incorporation of the claim elements was contemplated by the inventors at the time of the filings of the instant applications, and the overall embodiments were not obvious by one skilled in the art at the time of filing the instant applications. Applicants kindly request that the Examiner telephone Applicants' counsel if the Examiner has any further questions or concerns.

U.S. Patent No. 7,343,351 relates to processing payment information securely, such that a "digital wallet" may be used to facilitate a purchase, so the presently claimed invention utilizes the specific digital wallet of the '351 Patent to facilitate a transaction which utilizes the unique anonymous account code of the present invention. U.S. Patent No. 7,216,091 relates to using a unique object and data structure to represent various features of account codes, so the presently claimed invention utilizes the specific object and data structure of the '091 Patent to facilitate a transaction which utilizes the unique anonymous account code of the present invention.

### **The Present Invention as it Relates to 7,343,351 (Digital Wallet)**

As set forth in the below exemplary citations from the instant application, Applicants contemplated at the time of filing the instant application that security in financial transactions is essential. The specification of the instant application clearly disclose embodiments which protect a consumer from fraud by issuing an Internet card that can be used in lieu of the

consumer's actual credit card. Moreover, Applicants further contemplated that additional security features would even further enhance data integrity to reduce fraudulent transactions and provide the convenience of automatic online form filling. Moreover, it is clear by the second example that a digital wallet was anticipated by the earlier application in order to maintain loyalty points.

"Further, software downloaded to a participant's remote computer may also provide **digital wallet** features that automatically fills-in payment and transaction field information" (page 17, lines 26-28)

"user account information is stored online and is integrable with the account manager 10 features and the online merchant's 5 payment features. In this embodiment an **online wallet** may be periodically loaded with loyalty points converted to a currency credit" (page 19, lines 11-14)

The 7,343,351 Patent is directed toward providing additional security through an exchange of digital certificates when facilitating a smart card transaction. The originally filed specification discloses an embodiment in which the Internet card is a smart card. Clearly, the incorporation of the added security disclosed by related Patent 7,343,351 would be beneficial in ensuring secure transactions between the Internet card and a card authorization system.

Moreover, at the time of the invention, Applicants also clearly disclosed in the instant application that the transaction card could take various forms, including a smart card. The '351 Patent provides extensive disclosure of a smart card interfacing with a digital wallet, so the use of a digital wallet in association with various embodiments of the present invention was clearly contemplated.

"As used herein, a "transaction card" may include any account used for financial and/or loyalty transactions wherein the account may or may not be associated with a physical card, such as a charge card, credit card, debit card, **smart card**, bar-coded card, magnetic stripe card, account number, internet account, internet card, personal digital assistant account, **digital wallet account**, airline card, mall card, frequent shopper card, and/or the like" (page 9, lines 12-17)

#### **The Present Invention as it Relates to 7,216,091 (Stored Value Card)**

Applicants also contemplated at the time of filing that the invention would require significant database management. Along with an anticipated large number of account codes, the specification clearly discloses additional information that may be used to track purchase transactions and perform calculations of loyalty points based on multiple tiers. In addition, other

account numbers, retailer identifiers, and merchant identifiers may be associated with the disclosed loyalty account or associated with other accounts; therefore, the object hierarchy of the database disclosed in 7,216,091 would enhance the efficiency of the databases disclosed in the present application, along with reducing management requirements. Below are examples of such database management features.

“The component parts of an exemplary loyalty program 30 generally include computer server and **database systems for processing and storing loyalty program account information**” (page 10, lines 21-23)

“the transaction card account may be associated within a **transaction log database**, a participant **financial transaction account database**, and/or a **participant loyalty account database**. This association between the transaction details, the participant transaction card account and the participant loyalty account facilitate customer service features that are common with transaction card use (e.g., a participant charge-back request and merchandise return, etc.), but have been previously unavailable to those redeeming loyalty points for product” (page 21, lines 10-17)

#### **7,216,091 (Stored Value Card) as it Relates to the Present Invention**

Issued Patent No. 7,216,091 contemplates that maintaining information relating to a large number of transaction cards would benefit by an improved database model. This model uses data objects that are able to exchange information as to reduce redundancy when more than one transaction card is issued to a consumer. Moreover, 7,216,091 anticipated that the unique database structure would prove beneficial to transaction accounts of any number of forms (e.g. smartcards, magnetic stripe cards, ATM cards, internet transaction accounts, etc.). 7,216,091 further anticipated the use of the disclosed invention to maintain information relating a loyalty reward accounts.

“the invention suitably includes a system 20 which includes a database server 116 that suitably supports a number of stored value products such as, for example, various brands of **smartcards, magnetic stripe cards, ATM cards, internet transaction accounts, or other stored value products**” (column 3, lines 24-28)

“Objects associated with merchant data subsystem 168 generally enable specific merchant processing options. Other objects preferably store contract information relative to specific merchant product offerings, such as special offers or joint marketing efforts such as rebates, **loyalty awards**, etc” (column 5, lines 20-27)

#### **7,343,351 (Digital Wallet) as it Relates to the Present Invention**

Issued Patent No. 7,343,351 contemplates that maintaining securing financial transactions from fraudulent use was essential to maintaining the confidence of the issuer's customers. An embodiment of 7,343,351 discloses a smart card containing a digital certificate that is passed to a server for authentication to positively identify that the card is in the possession of the authorized cardholder when facilitating a Card Not Present (CNP) transaction over the Internet. 7,343,351 closely relates to the presently claimed invention in that the Internet card may be purchased over the Internet for facilitating a purchase with an Internet merchant and earn loyalty points among various tiers. Because the presently claimed invention discloses that the transaction card significantly benefits from security, the presently claimed invention would benefit from the security aspects of 7,343,351.

"A system and method for conducting electronic commerce are disclosed. In various embodiments, the electronic transaction is a purchase transaction. A user is provided with an intelligent token, such as a smartcard containing a digital certificate. The intelligent token suitably authenticates with a server on a network that conducts all or portions of the transaction on behalf of the user. In various embodiments a wallet server interacts with a security server to provide enhanced reliability and confidence in the transaction" (Abstract)

"The wallet pre-fill procedure may be used with any credit card or charge card by simply associating a version of the wallet program with a special code. Configuration information for a particular user is associated with a code that is provided to the user, who may later present the special code to authenticate him/herself with wallet server 140 to obtain a copy of the wallet that has already been pre-configured with data specific to the particular user" (column 16, lines 37-41)

"Merchant 120 may then authorize the purchase transaction as a standard charge card transaction using conventional hardware and software. It will be realized, however, that the added security provided by the systems disclosed herein will allow added confidence in the identity of the purchaser, thus justifying a lower discount rate for the transaction" (column 19, lines 18-24)

In light of the above remarks supporting the previously filed amendments, Applicants request the Examiner to again consider the following remarks and arguments differentiating the presently claimed invention over the cited references.

#### **Rejections under 35 U.S.C. § 101**

The Examiner previously rejected claims 19-22 under 35 U.S.C. § 101 because the invention is directed toward non-statutory subject matter. Specifically, the Examiner asserts that

in claim 19, which is an apparatus type claim, “applicant recites positive recitations to method steps being performed...this is a mixing of both apparatus and method statutory classes of invention” (page 2, item 2).

Applicants previously amended independent claim 19 to positively recite a “computerized transaction authorization manager configured to provide, over a web interface, a webpage disclosing said transaction and said full purchase amount in a first section of said webpage” in accordance with an apparatus type of claim. Claims 20-22 depend from independent claim 19, therefore, are likewise cured by the amendments to claim 19.

**Rejections under 35 U.S.C. § 103(a)**

The Examiner previously rejected claims 1, 3-12, 19, 24-28, 33, 34, 35, and 37 under 35 U.S.C. § 103(a) as being unpatentable over Burton et al., U.S. Patent No. 5,025,372, (“Burton”) in view of Tedesco et al., U.S. Patent No. 6,898,570, (“Tedesco”) in view of McMullin et al., U.S. Patent No. 6,222,914, (“McMullin”), and in further view of Adams et al., U.S. Patent No. 7,025,674, (“Adams”). Applicants respectfully disagree with the rejections.

Applicants traverse the official notice taken by the Examiner of the Office Action because “the facts asserted to be well known are not capable of instant and unquestionable demonstration as being well-known.” MPEP 2144.03. Applicants therefore respectfully request that “the examiner provide documentary evidence in the next Office action if the rejection is to be maintained.” Id.

Specifically, Applicants note that the Examiner made several statements regarding “obviousness” without providing references that would support the assertions. For example, in reference to displaying a balance of loyalty points remaining within a section of a billing web page, the Examiner notes that, while Burton does not “fully address the portion of the claim that recites that the balance of loyalty points is displayed in a section of the webpage...the Examiner feels that this is obvious also” (page 5, paragraph 2).

Regarding the above example, Applicants note that it is not the mere display of a loyalty point balance within a web page that is unique, but rather it is the display of a point balance relative to the additional claimed limitations, which disclose how a credit account balance is offset by a redemption of loyalty points (from different merchants) after one or more purchase transactions are facilitated. Applicants respectfully request that the Examiner cite references (instead of “official notice”) that disclose the uniquely combination of steps, as presently claimed.

Burton generally discloses a system for awarding a credit card holder with monetary rewards based on performance. The Burton system enables the card holder to elect to have all or a portion of the monetary awards allocated to a credit card account, which may later be used to facilitate purchases. The card sponsor determines a level of achievement (e.g., employee sales goals) that the card holder must obtain in order to have a specified monetary reward credited to their credit card account. Burton further discloses that, at regular intervals (e.g., annually, semiannually, quarterly), the system analyzes the card holder performance over the previous period, determines a number of points to be awarded based on the performance level, determines if any bonus points have been earned, and applies the sum value to the card holder's account. At that point, the card holder may use the awarded point value to facilitate a purchase.

Burton does not disclose a conversion ratio. Burton discloses no specific variance considerations that are used to determine a conversion rate. For example, the Burton employer cannot define rules that state conditions effecting a conversion rate. More significantly, conditionally adjusting the conversion rate during a purchase transaction would not be possible under Burton, because the conversion has already occurred on the currency value loaded to the card of the employee.

Tedesco generally discloses a customer acquisition system that enables an "offeror service provider" to acquire new customers by making acquisition offers to customers through the billing statements of other businesses. The customer acquisition system of Tedesco uses predefined criteria to automatically include an acquisition offer on a billing statement or on associated promotional materials. The Tedesco billing statement allows the customer to accept the acquisition offer using the billing statement.

Moreover, Tedesco discloses that an amount owed by a customer may determine whether the customer receives an acquisition offer. Also, the Tedesco system enables acquisition offers to be targeted to customers based on geographic information, such as zip codes, historical data, credit reports, purchase histories, and the like. The Tedesco system allows service providers to target localized markets by using the customer databases of other geographically-oriented service providers, such as, for example, utility companies.

McMullin generally discloses a system for administering incentive award programs. According to the McMullin system, award points may be earned in response to certain actions by participants and credited to the participant's credit card, but only after a predetermined time

delay. The participant must still be a customer in good standing with the credit card sponsor at the end of this predetermined delay period in order to receive the awarded points.

The objective of the McMullin system is to create an incentive for the participant to purchase the sponsor's goods and/or services in order to earn award points, and further create an incentive for the participant to remain a loyal customer of the sponsor in order to receive and redeem the award points at some point in the future. Each award point serves a double function as a reward for using the sponsor's products and/or services and also as an incentive for customer loyalty to the sponsor.

Adams generally discloses a system for awarding promotional points through a game such as, for example, a casino game, a video arcade game, and the like. The game includes a display that displays an ongoing balance of promotional points that are earned based on a player's performance. This provides the player with an incentive to play the game and to continue playing the game to accumulate additional promotional points that may be later exchanged for items offered by participating merchants. Adams further discloses that various promotional items may be displayed on the game display along with a point value for each item to further encourage the player to accumulate an adequate balance of promotional points to exchange for a desired item.

While Burton, Tedesco, McMullin, and Adams each disclose variations on systems for issuing and redeeming loyalty points, and Adams discloses converting a point balance to a cash value, neither of the references disclose or contemplate receiving a request to redeem the loyalty points and issuing an account code based on the request in order to ensure that a loyalty point account remains secure from fraudulent transactions. As those of ordinary skill in the art would appreciate, a loyalty point account can accumulate a significant monetary value for consumer. With the growing issues associated with credit card fraud, it serves to follow that the fraudulent redemption of loyalty points associated with a credit account, for example, is, or will likely become, a major problem. However, neither of the cited references disclose security measures, beyond what is presently known, for ensuring that the redeemer of loyalty points is the true owner of the loyalty points. As such, neither Burton, Adams, nor any combination thereof, disclose or contemplate the following combination of steps as similarly recited by independent claims 1, 5, 19, 24, and 33:

- issuing, by the computer, a challenge based on the payment authorization request and forwarding the challenge to the participant, wherein the challenge is passed to an

intelligent token for processing the challenge, wherein the intelligent token generates a response to the challenge

- receiving, at the computer, a response from the participant based upon the challenge
- processing, at the computer, the response and verifying the intelligent token
- assembling, at the computer, credentials for the payment authorization request, wherein the credentials comprise a key
- providing, by the computer, the assembled credentials to the participant
- receiving, at the computer, a second request from the participant, the second request including the portion of the assembled credentials provided to the participant
- validating, at the computer, the portion of the assembled credentials provided to the participant with the key of the assembled credentials providing access to purchase the account code
- determining, at the computer, in response to said account code being equal to one of a plurality of valid account codes, wherein in response to said account code being equal to one of the plurality of valid account codes, comparing the purchase value to said monetary value associated with the account code to determine when a monetary value exceeds said purchase value
- in response to the monetary value exceeding the purchase value, sending a purchase authorization message authorizing said purchase transaction
- subtracting said purchase value from the monetary value associated with said account code to obtain an available credit associated with said account code
- approving, by said computer, the payment authorization request based on said available credit associated with said account code and said full purchase amount
- providing, by said computer and over a web interface, a webpage disclosing said transaction and said full purchase amount in a first section of said webpage, and a balance of loyalty points in a second section of the webpage, along with a device within said webpage for enabling application of a currency value of at least a portion of said loyalty points to said full purchase amount in a previously executed charge, wherein said previously executed charge is provided to said participant in an online billing statement

Claims 3, 4, 6-12, 25-28, 34, and 35 variously depend from independent claims 1, 5, 19, 24, and 33. Applicants assert that dependent claims 3, 4, 6-12, 25-28, 34, and 35 are differentiated from the cited reference for at least the same reasons as set forth above, as well as their own respective features.



Claim 42 depends from independent claim 1. Applicants assert that dependent claim 42 is differentiated from the cited reference for at least the same reasons as set forth above, as well as its own respective features.

The Examiner previously rejected claims 13-18, 20-23, 29-32, 36, and 38-41 under 35 U.S.C. § 103(a) as being unpatentable over Burton, Tedesco, McMullin, and Adams, in further view of Storey et al., U.S. Patent No. 5,774,870, ("Storey"). Applicants respectfully traverse the rejections.

Storey generally discloses an online frequency reward program, where a user may shop catalogs online for products to purchase through the redemption of loyalty points. Storey further facilitates management of the loyalty account, electronically placing an award redeeming order with a fulfillment house, and updating the user's award account. As in Burton, Tedesco, McMullin, and Adams, user's of the Storey system are not able receive a request to redeem loyalty points and issue an account code based on the request in order to ensure that a loyalty point account remains secure from fraudulent transactions. As such, neither Burton, Storey, Adams, nor any combination thereof disclose or suggest the combination of steps recited above in reference to claims 1, 5, 19, 24, 33, and as similarly recited by independent claims 23 and 38.

Claims 13-18, 20-22, 29-32, 36, and 39-41 variously depend from independent claims 5, 19, 24, 33, and 38. Applicants assert that dependent claims 13-18, 20-22, 29-32, 36, and 39-41 are differentiated from the cited reference for at least the same reasons as set forth above, as well as their own respective features.

Applicants respectfully submit that the pending claims are in condition for allowance. The Commissioner is hereby authorized to charge any fees which may be required, or credit any overpayment, to Deposit Account No. **19-2814**. If an extension of time is necessary, please accept this as a petition therefore. Applicants invite the Office to telephone the undersigned if the Examiner has any questions regarding this Reply or the present application in general.

Respectfully submitted,



By: \_\_\_\_\_  
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